

## **Assembly Bill No. 243**

### **CHAPTER 85**

An act to amend Section 7091 of the Business and Professions Code, relating to contractors.

[Approved by Governor July 17, 2007. Filed with  
Secretary of State July 17, 2007.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 243, Nakanishi. Contractors: filing complaints and disciplinary actions.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law establishes timeframes for filing various complaints and accusations, which are grounds for disciplinary action against a licensed contractor. Existing law requires an accusation regarding an alleged breach of an express, written warranty by a licensee to be filed within the duration of the warranty.

This bill would require a disciplinary action to be filed against a licensee convicted of crimes related to the qualifications, functions, and duties of a contractor within 2 years after discovery of the conviction by the registrar of contractors or the board. The bill would also require a disciplinary action regarding an alleged breach of an express, written warranty by a licensee to be filed within 18 months from the expiration of the warranty.

*The people of the State of California do enact as follows:*

SECTION 1. Section 7091 of the Business and Professions Code is amended to read:

7091. (a) (1) A complaint against a licensee alleging commission of any patent acts or omissions that may be grounds for legal action shall be filed in writing with the registrar within four years after the act or omission alleged as the ground for the disciplinary action.

(2) A disciplinary action against a licensee relevant to this subdivision shall be filed or a referral to the arbitration program outlined in Section 7085 shall be referred within four years after the patent act or omission alleged as the ground for disciplinary action or arbitration or within 18 months from the date of the filing of the complaint with the registrar, whichever is later.

(b) (1) A complaint against a licensee alleging commission of any latent acts or omissions that may be grounds for legal action pursuant to subdivision (a) of Section 7109 regarding structural defects, as defined by regulation,

shall be filed in writing with the registrar within 10 years after the act or omission alleged as the ground for the disciplinary action.

(2) A disciplinary action against a licensee relevant to this subdivision shall be filed within 10 years after the latent act or omission alleged as the ground for disciplinary action or within 18 months from the date of the filing of the complaint with the registrar, whichever is later. As used in this subdivision “latent act or omission” means an act or omission that is not apparent by reasonable inspection.

(c) A disciplinary action alleging a violation of Section 7112 shall be filed within two years after the discovery by the registrar or by the board of the alleged facts constituting the fraud or misrepresentation prohibited by the section.

(d) With respect to a licensee who has been convicted of a crime and, as a result of that conviction is subject to discipline under Section 7123, the disciplinary action shall be filed within two years after the discovery of the conviction by the registrar or by the board.

(e) A disciplinary action regarding an alleged breach of an express, written warranty issued by the contractor shall be filed not later than 18 months from the expiration of the warranty.

(f) The proceedings under this article shall be conducted in accordance with the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the registrar shall have all the powers granted therein.

(g) Nothing in this section shall be construed to affect the liability of a surety or the period of limitations prescribed by law for the commencement of actions against a surety or cash deposit.